

OFFICIAL
FILE COPY

DO NOT SEND OUT

(For necessary
copies from this
copy and PLACE
BACK in FILE)

OUACHITA COUNCIL ON AGING, INC.

MONROE, LOUISIANA

ST 1233 93 JUN 19 97 02

FINANCIAL STATEMENTS

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date 2-25-98

OUACHITA COUNCIL ON AGING, INC.

Table of Contents
June 30, 1997

	<u>EXHIBIT/ SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT		1-2
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP	EXHIBIT A	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES	EXHIBIT B	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND	EXHIBIT C	5
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUNDS	EXHIBIT D	6
NOTES TO FINANCIAL STATEMENTS		7-17
SUPPLEMENTARY INFORMATION:		
STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	SCHEDULE 1	18
COMBINING STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- SPECIAL REVENUE FUNDS	SCHEDULE 2	19
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS	SCHEDULE 3	20-25
STATEMENT OF GENERAL FIXED ASSETS AND CHANGES IN GENERAL FIXED ASSETS	SCHEDULE 4	26
PER DIEM PAID TO BOARD MEMBERS	SCHEDULE 5	27
QUESTIONED COSTS	SCHEDULE 6	28
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS	SCHEDULE 7	29
EXIT CONFERENCE	SCHEDULE 8	30

(Continued)

OUACHITA COUNCIL ON AGING INC.

Table of Contents
June 30, 1997

	<u>EXHIBIT/ SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL AWARDS		31
SCHEDULE OF FEDERAL AWARDS	SCHEDULE 9	32
NOTES TO THE SCHEDULE OF FEDERAL AWARDS		33
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		34-35
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133		36-37

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of Ouachita Council on Aging, Inc., management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Council on Aging, Inc. as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 10, 1997 on my consideration of Ouachita Council on Aging, Inc.'s internal control structure and a report dated October 10, 1997 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The statements and schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Ouachita Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation the general purpose financial statements taken as a whole.

Masha D. Milligan

Certified Public Accountant
October 10, 1997

Exhibit A

OUACHITA COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1997

	<u>Governmental</u> <u>Fund Types</u>		<u>Account Group</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
 <u>ASSETS</u>				
Cash and cash equivalents	\$201,483	\$ 14,731	\$ -	\$ 216,214
Contracts receivable	30,857	6,098	-	36,955
Due from other funds	14,470	-	-	14,470
General fixed assets	-	-	402,859	402,859
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$246,810</u>	<u>\$ 20,829</u>	<u>\$ 402,859</u>	<u>\$ 670,498</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 40,874	\$ 690	\$ -	\$ 41,564
Payroll taxes payable	283	-	-	283
Due to other funds	-	14,470	-	14,470
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>41,157</u>	<u>15,160</u>	<u>-</u>	<u>56,317</u>
 <u>FUND EQUITY:</u>				
Investments in general fixed assets	-	-	402,859	402,859
<u>Fund Balances:</u>				
Reserved for FEMA	-	696	-	696
Reserved for Utility Assistance	-	292	-	292
Reserved for Capital Additions	78,195	-	-	78,195
Unreserved - undesignated	<u>127,458</u>	<u>4,681</u>	<u>-</u>	<u>132,139</u>
Total fund equity	<u>205,653</u>	<u>5,669</u>	<u>402,859</u>	<u>614,181</u>
Total liabilities and fund equity	<u>\$246,810</u>	<u>\$ 20,829</u>	<u>\$ 402,859</u>	<u>\$ 670,498</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
 All Governmental Fund Types
 For the Year Ended June 30, 1997

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
REVENUES:			
Intergovernmental	\$ 73,810	\$ 946,266	\$ 1,020,076
Public support	166,347	146,485	312,832
Miscellaneous	47,969	-	47,969
Interest	9,888	346	10,234
Total revenues	<u>298,014</u>	<u>1,093,097</u>	<u>1,391,111</u>
EXPENDITURES:			
Salaries	7,428	483,516	490,944
Fringe	600	50,888	51,488
Meals	-	414,156	414,156
Travel	743	52,935	53,678
Operating services	23,571	191,992	215,563
Operating supplies	62	34,369	34,431
Other costs	-	12,087	12,087
Capital outlay	52,555	-	52,555
Utility assistance	-	26,427	26,427
Grants to subrecipient	-	56,745	56,745
Total expenditures	<u>84,959</u>	<u>1,323,115</u>	<u>1,408,074</u>
Excess (deficiency) of revenues over expenditures	213,055	(230,018)	(16,963)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	380,327	380,327
Operating transfers out	<u>(231,974)</u>	<u>(148,353)</u>	<u>(380,327)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(18,919)	1,956	(16,963)
FUND BALANCE:			
Beginning of year	<u>224,572</u>	<u>3,713</u>	<u>228,285</u>
End of year	<u>\$ 205,653</u>	<u>\$ 5,669</u>	<u>\$ 211,322</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 1997

	Variance Favorable (Unfavorable)	Budget	Actual
REVENUES:			
Intergovernmental	\$ -	\$ 73,810	\$ 73,810
Public support	(60,779)	227,126	166,347
Interest	9,888	-	9,888
Miscellaneous	47,969	-	47,969
		<u>300,936</u>	<u>298,014</u>
Total revenues	(2,922)		
EXPENDITURES:			
Salaries	1,572	9,000	7,428
Fringe	120	720	600
Travel	357	1,100	743
Operating services	(1,571)	22,000	23,571
Operating supplies	188	250	62
Other costs	-	-	-
Capital outlay	-	-	-
		<u>49,700</u>	<u>52,555</u>
Total expenditures	(2,189)	<u>82,770</u>	<u>84,959</u>
Excess (deficiency) of revenues over expenditures	(5,111)	218,166	213,055
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(13,808)	(218,166)	(231,974)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(18,919)	-	(18,919)
FUND BALANCE:			
Beginning of year	-	224,572	224,572
End of year	<u>\$(18,919)</u>	<u>\$ 224,572</u>	<u>\$ 205,653</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 1997

	Variance Favorable (Unfavorable)	Budget	Actual
<u>REVENUES:</u>			
Intergovernmental	\$ -	\$ 73,810	\$ 73,810
Public support	(60,779)	227,126	166,347
Interest	9,888	-	9,888
Miscellaneous	47,969	-	47,969
Total revenues	(2,922)	300,936	298,014
<u>EXPENDITURES:</u>			
Salaries	1,572	9,000	7,428
Fringe	120	720	600
Travel	357	1,100	743
Operating services	(1,571)	22,000	23,571
Operating supplies	188	250	62
Other costs	-	-	-
Capital outlay	(2,855)	49,700	52,555
Total expenditures	(2,189)	82,770	84,959
Excess (deficiency) of revenues over expenditures	(5,111)	218,166	213,055
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	(13,808)	(218,166)	(231,974)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(18,919)	-	(18,919)
<u>FUND BALANCE:</u>			
Beginning of year	-	224,572	224,572
End of year	<u>\$ (18,919)</u>	<u>\$ 224,572</u>	<u>\$ 205,653</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 1997

	Variance Favorable (Unfavorable)	Budget	Actual
REVENUES:			
Intergovernmental	\$ 2,099	\$ 944,167	\$ 946,266
Public support	(35,345)	181,830	146,485
Interest	346	-	346
Total revenues	<u>(32,900)</u>	<u>1,125,997</u>	<u>1,093,097</u>
EXPENDITURES:			
Salaries	12,141	495,657	483,516
Fringe	5,388	56,276	50,888
Meals	(2,156)	412,000	414,156
Travel	(1,562)	51,373	52,935
Operating service	7,536	199,528	191,992
Operating supplies	(240)	34,129	34,369
Other costs	(3,132)	8,955	12,087
Utility assistance	3,073	29,500	26,427
Grants to subrecipient	-	56,745	56,745
Total expenditures	<u>21,048</u>	<u>1,344,163</u>	<u>1,323,115</u>
Excess (deficiency) of revenues over expenditures	(11,852)	(218,166)	(230,018)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	11,751	368,576	380,327
Operating transfers out	<u>2,057</u>	<u>(150,410)</u>	<u>(148,353)</u>
Excess of revenues and other sources over expenditures and other uses	1,956	-	1,956
FUND BALANCE:			
Beginning of year	-	3,713	3,713
End of year	<u>\$ 1,956</u>	<u>\$ 3,713</u>	<u>\$ 5,669</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental units.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Ouachita Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

The Council is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Council has presented its financial statements as a separate special-purpose government.

The primary function of Ouachita Council on Aging, Inc. is to improve the quality of life for the parish's elderly as well coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A board of directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

C. Fund Accounting

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Council's governmental fund types:

General Fund - The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived.

The following types of programs comprise the Council's General Fund:

Local

Local funds are received from various local sources; such funds not being restricted to any special use.

United Way

United Way funds are received directly from the United Way of Northeast Louisiana. These funds are used to supplement Title III C-2 Home Delivered Fund and Title IIIB Supportive Services Fund.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

FEDERAL TRANSPORTATION ACT

Federal Transportation Act Section 5309 capital grants are used to purchase vans and buses of various sizes and wheelchair lifts. The funds are strictly for capital purchases and are only available in areas where existing services are either insufficient, unavailable or inappropriate.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are the funds which comprise the Council's Special Revenue Funds:

Title III-B Administration Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which provides access services, legal assistance, and transportation for the elderly.

Title III - B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Elderly Protective Services

Elderly Protective Services funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used for a program to reduce abuse/neglect of the elderly.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TITLE III C-2 Home Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to the home-bound older persons.

USDA Fund

The USDA Fund is used to account for the administration of the Food Distribution Program fund provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that the United States food and commodities may be purchased to supplement these programs.

Title III-D Fund

The Title III-D fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Title III-F Fund

The Title III-F fund is used to account for funds which are designated to be used for disease prevention and health promotion activities.

FEMA

The FEMA fund is used to account for the administration of a Disaster Assistance Program designed to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through a National Emergency Food and Shelter Board which in turn "passes through" the funds to the parish Council.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LCOA) which in turn remits funds relating to Ouachita Council on Aging, Inc. to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Title XIX

Title XIX Funds are provided by the Louisiana State Department of Health and Hospitals directly to the Ouachita Adult Day Health Care. These funds provide day health care services for adults in lieu of institutionalization.

Miscellaneous Grant

Miscellaneous Grant Funds are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the council. These funds are used to supplement Senior Center and Title III B Supportive Services.

D. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. All major revenues are susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

F. Budget Policy

Budgets for the various programs are prepared by the Council's Executive Director and approved by grantor of the funds for each respective program. The budgets are prepared on a basis consistent with generally accepted accounting principles.

Actual amounts are compared to budgeted amounts periodically during the year as a management control device.

The council may transfer funds between line items as often as required but must obtain prior approval from the grantor agency for funds received from that agency.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

G. Compensated Absences:

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

H. Fixed Assets:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

I. Cash and Cash Equivalents:

The Council's policy is to include short-term interest bearing deposits with cash in the financial statements.

J. Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. FUNDING POLICIES AND SOURCES OF FUNDS

The Council receives its monies through various methods of funding. U.S.D.A. cash in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food costs in Title III C-1 and C-2 programs. This program is funded under the units of services provided method. The Senior Center program and State Allocation (PCOA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, III D, Elder Abuse, and Protective Service programs are funded based on actual operating costs incurred. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Councils on Aging to the Council under the Helping Hands and Energy Programs. Title XIX programs are reimbursed on a per unit of service provided method.

3. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

4. IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. Several senior center/meal-site facilities were furnished to the Council without charge, for rent, and/or utilities, or for minimal monthly utility reimbursements. Other in-kind contributions consisted of the time donated by volunteer workers at senior centers and meal sites, as well as free admittance to recreational and entertainment events provided by various businesses and individuals in the parish. Although these contributions have not been reported as revenues, the offsetting expenses have not been incurred thereby producing no effect on the financial statements.

5. GRANTS RECEIVABLE

Grants receivable at June 30, 1997, are as follows:

USDA	\$ 30,857
Adult Day Care	<u>6,098</u>
Total	<u>\$ 36,955</u>

6. CHANGES IN FIXED ASSETS

A summary of the changes in general fixed assets account group is as follows:

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1997</u>
Vans	\$ 202,972	\$ 46,303	\$ 9,286	\$ 239,989
Leasehold improvements	60,496	-	-	60,496
Furniture and equipment	<u>109,826</u>	<u>6,252</u>	<u>13,704</u>	<u>102,374</u>
Total	<u>\$ 373,294</u>	<u>\$ 52,555</u>	<u>\$ 22,990</u>	<u>\$ 402,859</u>

The balance at June 30, 1996 for vans as previously reported was increased by \$30,410 and the balance at June 30, 1996 for furniture and equipment was decreased by \$30,410 due to a van being inadvertently recorded as furniture and equipment in a prior year.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

7. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and due to other funds:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 14,470	\$ -
Adult Day Care	<u>-</u>	<u>14,470</u>
	<u>\$ 14,470</u>	<u>\$ 14,470</u>

8. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 1997:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 231,974
Special Revenue Funds:		
Title III C-1	39,710	-
Title III C-2	209,998	-
Title III B Supportive Services	109,215	120,153
USDA	-	-
Title III D In-Home Services	5,294	-
Audit	-	-
Senior Center	16,110	-
Miscellaneous Grant	<u>-</u>	<u>28,200</u>
Total - Special Revenue Funds	<u>380,327</u>	<u>148,353</u>
Total - All Funds	<u>\$ 380,327</u>	<u>\$ 380,327</u>

9. INCOME TAX STATUS

Ouachita Council on Aging, Inc. is an organization exempt from tax under Internal Revenue Code Section 501 (c) (3). Accordingly, the financial statements contain no provision for income taxes.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 1997, the carrying amount of the Council's deposits was \$ 216,114 and the bank's balance was \$320,765. The difference is due to outstanding checks at June 30, 1997. Deposits totaling \$236,637 are collateralized by federal deposit insurance of \$233,637 and deposits of \$84,128 are collateralized by securities held by the depository bank in the Council's name. State statutes authorize the Council to invest in United States bonds, treasury notes, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash requirements.

The Council's deposits are categorized below to give an indication of the level of risk assumed by the Council at year end.

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the Council or by its agent in the Council's name	\$ -
Category 2 Deposits collateralized with securities held by the pledging financial institution or agent in the Council's name	84,128
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department, or agent, but not in the Council's name.	-
Total	<u>\$ 84,128</u>

11. COMMITMENTS

On July 1, 1983, the Council entered into a five year lease agreement with the Carolyn Rose Strauss Rehabilitation Center, Inc. for its building facilities. In lieu of rent, the Council is obligated to pay \$250 per month for a maintenance fund and to pay all the premiums for all building insurance. The lease provides for an unlimited number of options to renew at 12 months each.

Total rent expense under this lease for the year ended June 30, 1997 was \$3,000.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1997

12. ECONOMIC DEPENDENCY

The Council received the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

OUACHITA COUNCIL ON AGING, INC.

Statement of Program Revenues, Expenditures and Changes in Fund
Balance
General Fund
For the Year Ended June 30, 1997

	<u>Local</u>	<u>PCOA (ACT 735)</u>	<u>Totals</u>
REVENUES			
Intergovernmental:			
Office of elderly affairs	\$ 15,799	\$ 25,599	\$ 41,398
State of Louisiana			
Department of			
Transportation	32,412	-	32,412
Public support:			
United Way	143,540	-	143,540
Donations	19,810	-	19,810
Miscellaneous	47,969	-	47,969
Interest	9,888	-	9,888
	<u>269,418</u>	<u>25,599</u>	<u>295,017</u>
EXPENDITURES			
Salaries	7,428	-	7,428
Fringe	600	-	600
Travel	743	-	743
Operating services	23,571	-	23,571
Operating supplies	62	-	62
Other costs	-	-	-
Capital outlay	49,558	-	49,558
	<u>81,962</u>	<u>-</u>	<u>81,962</u>
Total expenditures			
Excess of revenues over expenditures	187,456	25,599	213,055
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(206,375)	(25,599)	(231,974)
	<u>(206,375)</u>	<u>(25,599)</u>	<u>(231,974)</u>
Excess of (deficiency) of revenues and other sources over expenditures and other uses	(18,919)	-	(18,919)
Beginning of year	<u>224,572</u>	<u>-</u>	<u>244,572</u>
End of year	<u>\$ 205,653</u>	<u>\$ -</u>	<u>\$ 205,653</u>

Schedule 2

Elderly Protective Services	Title III-F Health Promotion	USDA	Title III-D In Home Services	FEMA	Title XIX Adult Day Care	Ombudsman	Utility Assistance Fund	Miscellaneous Grant	Total
						\$ 11,017		\$ 28,200	\$ 848,349
\$ 60,100	\$ 6,170	\$ 120,153	\$ 3,904	\$ -	\$ -				5,693
-	-	-	-	5,693	-	-	-	-	83,891
-	-	-	-	-	83,891	-	-	-	8,333
-	-	-	-	-	8,333	-	-	-	-
-	-	-	-	-	-	-	26,221	-	26,221
-	-	-	-	-	-	-	70	-	120,264
-	-	-	-	-	276	-	-	-	346
<u>60,100</u>	<u>6,170</u>	<u>120,153</u>	<u>3,904</u>	<u>5,693</u>	<u>92,500</u>	<u>11,017</u>	<u>26,291</u>	<u>28,200</u>	<u>1,093,097</u>
36,559	4,175	-	-	-	47,132	-	-	-	483,516
4,526	295	-	-	-	5,796	-	-	-	50,888
-	-	-	-	-	7,603	-	-	-	414,156
4,307	-	-	-	-	1,789	3,045	-	-	52,935
13,213	-	-	9,198	5,247	21,940	557	-	-	191,992
1,495	-	-	-	-	3,622	-	-	-	34,369
-	1,700	-	-	-	2,972	7,415	26,427	-	12,087
-	-	-	-	-	-	-	-	-	26,427
-	-	-	-	-	-	-	-	-	56,745
<u>60,100</u>	<u>6,170</u>	<u>-</u>	<u>9,198</u>	<u>5,247</u>	<u>90,854</u>	<u>11,017</u>	<u>26,427</u>	<u>-</u>	<u>1,323,115</u>
-	-	-	-	-	-	-	-	28,200	(230,018)
-	-	120,153	(5,294)	446	1,646	-	(136)	-	380,327
-	-	-	5,294	-	-	-	-	(28,200)	(148,353)
-	-	(120,153)	-	-	-	-	-	-	-
-	-	-	-	446	1,646	-	(136)	-	1,956
-	-	-	-	-	-	-	-	-	3,713
-	-	-	-	250	3,035	-	428	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 4,681</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 5,669</u>

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>LOCAL</u>			
Salaries	\$ 9,000	\$ 7,428	\$ 1,572
Fringe	720	600	120
Travel	1,100	743	357
Operating services	22,000	23,571	(1,571)
Operating supplies	250	61	189
Other costs	-	-	-
Capital outlay	49,700	52,555	(2,855)
Transfers to other funds:			
Senior Center	3,033	2,011	1,022
Audit	2,596	-	2,596
Ombudsman	180	-	180
Title III C-2	123,220	129,555	(6,335)
Title III B Supportive Services	63,538	74,810	(11,272)
Totals	<u>\$ 275,337</u>	<u>\$ 291,334</u>	<u>\$(15,997)</u>
<u>PCOA (ACT 735)</u>			
Salaries	-	-	-
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Title III B Supportive Services	25,599	25,599	-
Totals	<u>\$ 25,599</u>	<u>\$ 25,599</u>	<u>\$ -</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1997.

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TITLE III C-1</u>			
Salaries	\$ 77,378	\$ 76,508	\$ 870
Fringe	8,376	7,570	806
Meals:		107,400	(1,392)
Raw food	106,008	78,506	(1,017)
Non-edibles	77,489	647	129
Travel	776	13,309	(1,417)
Operating services	11,892	2,144	(131)
Operating supplies	2,013	-	-
Other costs	-	-	-
Capital outlay	-	-	-
	<u>\$ 283,932</u>	<u>\$ 286,084</u>	<u>\$ (2,152)</u>
Totals			
<u>SENIOR CENTER</u>			
Salaries	\$ 23,990	\$ 27,555	\$ (3,565)
Fringe	2,700	2,700	-
Meals	-	-	-
Travel	500	500	-
Operating services	19,750	15,108	4,642
Operating supplies	3,900	3,954	(54)
Other costs	-	-	-
Grants to subrecipient	56,745	56,745	-
	<u>\$ 107,585</u>	<u>\$ 106,562</u>	<u>\$ 1,023</u>
Totals			
<u>C-2</u>			
Salaries	\$ 123,670	\$ 111,335	\$ 12,335
Fringe	13,390	11,693	1,697
Meals:		123,305	(80)
Raw food	123,225	97,342	(64)
Non-edibles	97,278	35,930	(2,369)
Travel	33,561	10,664	323
Operating service	10,987	3,494	(155)
Operating supplies	3,339	-	-
Other costs	-	-	-
Capital outlay	-	-	-
	<u>\$ 405,450</u>	<u>\$ 393,763</u>	<u>\$ 11,687</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>IN-HOME SERVICE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Travel	-	-	-
Operating services	10,000	9,198	802
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 10,000</u>	<u>\$ 9,198</u>	<u>\$ (802)</u>
<u>OMBUDSMAN</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Travel	3,163	3,045	118
Operating services	450	558	(108)
Operating supplies	329	-	329
Other costs	7,255	7,414	(159)
Capital outlay	-	-	-
Totals	<u>\$ 11,197</u>	<u>\$ 11,017</u>	<u>\$ 180</u>
<u>TITLE III-B ADMINISTRATION</u>			
Salaries	\$ 20,142	\$ 20,142	\$ -
Fringe	2,189	2,180	9
Travel	1,043	840	203
Operating service	8,877	8,919	(42)
Operating supplies	2,697	2,867	(170)
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 34,948</u>	<u>\$ 34,948</u>	<u>\$ -</u>
<u>TITLE III-B SUPPORTIVE SERVICE</u>			
Salaries	\$ 162,465	\$ 160,110	\$ 2,355
Fringe	17,595	16,128	1,467
Meals	-	-	-
Travel	6,215	5,877	338
Operating services	90,794	88,933	1,861
Operating supplies	16,951	16,793	158
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 294,020</u>	<u>\$ 287,841</u>	<u>\$ (6,179)</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>HEALTH PROMOTION</u>			
Salaries	\$ 4,175	\$ 4,175	\$ -
Fringe	295	295	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	1,700	1,700	-
Capital outlay	-	-	-
Totals	<u>\$ 6,170</u>	<u>\$ 6,170</u>	<u>\$ -</u>
<u>ADULT DAY CARE</u>			
Salaries	\$ 47,278	\$ 47,132	\$ 146
Fringe	5,205	5,796	(591)
Meals	8,000	7,603	397
Travel	1,700	1,789	(89)
Operating services	22,478	21,940	538
Operating supplies	3,200	3,622	(422)
Other costs	-	2,972	(2,972)
Capital outlay	-	-	-
Transfers to other funds: Title III C-2	-	-	-
Totals	<u>\$ 87,861</u>	<u>\$ 90,854</u>	<u>\$ (2,993)</u>
<u>FEMA</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	5,900	5,247	653
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Transfers to other funds: Senior Center C-1	-	-	-
Totals	<u>\$ 5,900</u>	<u>\$ 5,247</u>	<u>\$ 653</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
 General and Special Revenue Funds
For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>UTILITY ASSISTANCE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Utility assistance	29,500	26,427	3,073
Totals	<u>\$ 29,500</u>	<u>\$ 26,427</u>	<u>\$ 3,073</u>
<u>AUDIT</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	7,500	4,904	2,596
Operating supplies	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 7,500</u>	<u>\$ 4,904</u>	<u>\$ 2,596</u>
<u>USDA</u>			
Transfer to Title III C-1	\$ 39,710	\$ 39,710	\$ -
Transfers to Title III C-2	82,500	80,443	2,057
Totals	<u>\$ 122,210</u>	<u>\$ 120,153</u>	<u>\$ 2,057</u>
<u>MISCELLANEOUS GRANT</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Grants to subrecipient	-	-	-
Transfer to Other Funds:			
Title III D	6,096	5,294	802
Title III B	8,004	8,806	(802)
Totals	<u>\$ 14,100</u>	<u>\$ 14,100</u>	<u>\$ -</u>

Schedule 3
(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ELDERLY PROTECTIVE SERVICES</u>			
Salaries	\$ 36,559	\$ 36,559	\$ -
Fringe	6,526	4,526	2,000
Meals	-	-	-
Travel	4,415	4,307	108
Operating services	10,900	13,213	(2,313)
Operating supplies	1,700	1,495	205
Other costs	-	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Totals	<u>\$ 60,100</u>	<u>\$ 60,100</u>	<u>\$ -</u>

OUACHITA COUNCIL ON AGING, INC.STATEMENT OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS
For the Year Ended June 30, 1997

	Balance June 30, 1996*	Additions	Deletions	Balance June 30, 1997
General Fixed Assets, at cost:				
Vans	\$ 202,972	\$ 46,303	\$ 9,286	\$239,989
Furniture and equipment	109,826	6,252	13,704	102,374
Leasehold Improvements	<u>60,496</u>	<u>-</u>	<u>-</u>	<u>60,496</u>
Total	<u>\$ 373,294</u>	<u>\$ 52,555</u>	<u>\$22,990</u>	<u>\$ 402,859</u>
Investment in General Fixed Assets:				
Property with no reflection of source and general fund acquisitions	\$ 239,350	\$ -	\$ 13,704	\$ 225,646
Local	1,923	6,252	-	8,175
UMTA	<u>132,021</u>	<u>46,303</u>	<u>9,286</u>	<u>169,038</u>
Total	<u>\$ 373,294</u>	<u>\$ 52,555</u>	<u>\$ 22,990</u>	<u>\$ 402,859</u>

* The balance at June 30, 1996 for vans as previously reported was increased by \$30,410 and the balance at June 30, 1996 for furniture and equipment as previously reported was decreased by \$30,410 due to a van being inadvertently recorded as furniture and equipment in a prior year.

OUACHITA COUNCIL ON AGING, INC.

Per Diem Paid to Board Members
For the Year Ended June 30, 1997

No per diem was paid to board members for the year ended June 30, 1997.
follows:

OUACHITA COUNCIL ON AGING, INC.

Questioned Costs
For the Year Ended June 30, 1997

No questioned costs were found for the year ended June 30, 1997.

OUACHITA COUNCIL ON AGING, INC.

Exit Conference
June 30, 1997

The exit conference was held October 10, 1997. Those in attendance were Marsha O. Millican, CPA, Joseph Nastasi, Executive Director, David Swanner, Finance Director, and Mrs. Martha Ann Moore, Board Treasurer.

I reported to them that I did not discover any material weaknesses in internal control.

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

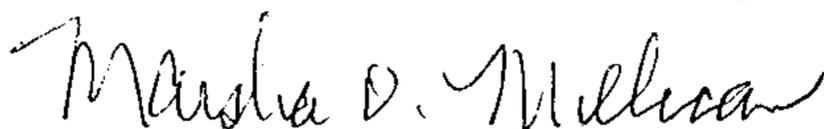
INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL AWARDS

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1997, and have issued my report thereon dated October 10, 1997. These general purpose financial statements are the responsibility of the management of Ouachita Council on Aging, Inc. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Ouachita Council on Aging, Inc., taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountant
October 10, 1997

OUACHITA COUNCIL ON AGING, INC.Schedule of Federal Awards
For the Year Ended June 30, 1997

<u>FEDERAL GRANTOR/ PROGRAM TITLE *</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>Department of Health and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs Special programs for the aging:				
Title III, Part C-1 Congregate Meals	93.045	\$ 96,649	\$ 96,649	\$ 96,649
Title III, Part C-2 Home Delivered Meals	93.045	34,478	34,478	34,478
Title III, Part B Area Agency Administrative	93.044	26,211	26,211	26,211
Title III, Part B Supportive Services *	93.044	101,458	101,458	101,458
Title IIID, In-Home Services	93.046	3,318	3,318	3,318
Title IIIF, Health Promotion	93.043	6,170	6,170	6,170
Title III, Long-Term Care Ombudsman	93.043	9,367	9,367	9,367
Title XIX, Adult Day Care	93.778	83,891	83,891	83,891
<u>Federal Emergency Management Agency</u>				
Passed through American Red Cross Emergency Food and Shelter Program				
	83.523	5,693	5,693	5,247
<u>Federal Transportation Act</u>				
Passed through the Louisiana Department of Transportation and Development				
	20.500	32,412	32,412	32,412
<u>Department of Agriculture</u>				
Passed through the Louisiana Department of Education Adult Day Care Nutrition				
	10.558	8,333	8,333	8,333
Passed through the Louisiana Governor's Office of Elderly Affairs:				
USDA - cash in lieu of commodities *	10.570	120,153	<u>120,153</u>	<u>120,153</u>
Total			<u>\$ 528,133</u>	<u>\$ 528,133</u>

* Denotes Major Program.

OUACHITA COUNCIL ON AGING, INC.

Notes to the Schedule of Federal Awards
June 30, 1997

1. General:

The accompanying Schedule of Federal Awards presents the activity of all federal award programs of Ouachita Council on Aging, Inc.

2. Basis of Accounting:

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the general purpose financial statements.

3. Relationship to General Purpose Financial Statements:

Federal Financial Award revenues are reported in the general purpose financial statements as follows:

	<u>Intergovernmental</u>
Federal Awards	\$ 528,133
State Awards	<u>491,943</u>
Total	<u>\$ 1,020,076</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT OF COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the financial statements of Ouachita Council on Aging, Inc. as of and for the year ended June 30, 1997, and have issued my report thereon dated October 10, 1997. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Compliance

As part of obtaining reasonable assurance about whether Ouachita Council on Aging, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Ouachita Council on Aging, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Maisha D. Mullican

Certified Public Accountant
October 10, 1997

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

Compliance

I have audited the compliance of Ouachita Council on Aging, Inc. with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. Ouachita Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ouachita Council on Aging, Inc.'s management. My responsibility is to express an opinion on Ouachita Council on Aging, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ouachita Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Ouachita Council on Aging, Inc.'s compliance with those requirements.

In my opinion, Ouachita Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of Ouachita Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Ouachita Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more on the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of management the Board of Directors, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Marsha D. Mellian

Certified Public Accountant
October 10, 1997